

## Message Text

UNCLASSIFIED

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ACTION EB-08

INFO OCT-01 AF-10 EUR-12 ISO-00 ABF-01 FSE-00 PA-02  
USIE-00 CIAE-00 INR-10 NSAE-00 OMB-01 TRSE-00  
FRB-01 XMB-04 AID-05 PC-05 COME-00 INRE-00 SSO-00  
/060 W

-----027790 171616Z /53

P R 171347Z MAR 78

FM AMEMBASSY LUSAKA

TO SECSTATE WASHDC IMMEDIATE 7870

INFO AMEMBASSY DAR ES SALAAM

AMEMBASSY KINSHASA

AMEMBASSY LILONGWE

AMCONSUL LUBUMBASHI

AMEMBASSY MBABANE

AMEMBASSY MAPUTO

AMEMBASSY NAIROBI

AIEMBASSY PARIS 1129

UNCLAS LUSAKA 0867

E.O. 11652: N/A

TAGS: EFIN

SUBJ: ZAMBIA DEVALUES THE KWACHA

1. FINANCE MINISTER JOHN MWANAKATWE ANNOUNCED IN  
PARLIAMENT MARCH 17 THAT ZAMBIA HAS DEVALUED THE KWACHA  
BY TEN PERCENT WITH IMMEDIATE EFFECT. KWACHA NOW EQUALS  
APPROXIMATELY US DOLS 1.20.

2. ACCORDING TO PRESS REPORTS ZAMBIA'S MINING COMPANIES  
HAVE ALSO BEEN AUTHORIZED TO LAY OFF WORKERS TO REDUCE  
THEIR COSTS. THE COMBINED MOVES ARE AIMED AT REDUCING  
MASSIVE KWACHA LOSSES NOW BEING INCURRED BY THE MINES.

3. AS YET UNCONFIRMED ARE REPORTS THAT ZAMBIA, BY THE  
DEVALUATION, HAS NOW AGREED IN PRINCIPLE WITH THE CONDITIONS  
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LAIED DOWN BY THE IMF. THE REPORTS DO NOT SPECIFY THE  
AMOUNT OF IMF ASSISTANCE BUT STATE THAT THERE WILL BE  
TWO TRANCHES AVAILABLE TO ZAMBIA WITH REPAYMENT OVER 30  
YEARS AT BETWEEN 4.2 AND 4.7 PERCENT INTEREST.

4. MORE DETAIL WILL FOLLOW WHEN ADDITIONAL INFO AVAILABLE.  
LOW

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DEVALUATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 mar 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978LUSAKA00867  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780119-0606  
**Format:** TEL  
**From:** LUSAKA  
**Handling Restrictions:** n/a  
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**Legacy Key:** link1978/newtext/t19780355/aaaabulz.tel  
**Line Count:** 62  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 3b9317c5-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Page Count:** 2  
**Previous Channel Indicators:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 29 mar 2005  
**Review Event:**  
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**Review Release Event:** n/a  
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**Review Withdrawn Fields:** n/a  
**SAS ID:** 3293076  
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**Status:** NATIVE  
**Subject:** ZAMBIA DEVALUES THE KWACHA  
**TAGS:** EFIN, ZA  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/3b9317c5-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014